

***Sandra M. Powell, Director
Rhode Island Department of Human Services***

**Keynote Address
(as prepared for delivery)**

Thank you, Dr. Bono, for the kind introduction. I deeply appreciate the opportunity to discuss the hard work underway at the RI Department of Human Services. We are in the midst of transformative change. It's a challenging but exciting time for us. I can think of no better place to talk about this transformational shift for our agency than at this workshop, where professionals from around the country, from all levels of government, from institutes of higher learning, and from community organizations, are gathering in our state's wonderful capitol to exchange ideas for meaningful change to better the lives of those we serve.

Over the next couple of days, you'll hear some exciting presentations about improving the delivery of social services. Today, I'd like to share our story – where we've been, where we are, where we expect to be in the near future. But first, some context.

Where we were

In January 2008, then-Governor Don Carcieri asked me to become director of Rhode Island's Department of Labor and Training. I had spent the past 19 years at DLT. I was excited about this opportunity but unbeknownst to me some rough waters were ahead. There was a confluence of events that would do great harm to our state and many of our most vulnerable citizens.

As I moved into the role of director of Labor and Training, Rhode Island and the nation was entering into the deepest recession experienced since the Great Depression. Unfortunately, for our state – has been the case historically the case – Rhode Island actually went into recession a full six months before the nationwide recession began.

And while the Great Recession technically ended in June 2009 and as the national economy began to recover, Rhode Island has been a different story. From our its peak employment in 2006 through August 2009 our state lost 8.6% of private sector jobs, the largest loss among all New England states.

In comparison, the New England region as a whole lost 4.6% of its jobs while the nation lost over 6.4%.

During the recovery period between August 2009 and December 2012, Rhode Island regained only a quarter of the jobs lost. The rest of the New England states regained over 70%. In the last 18 months, the state has made progress but still has 2% fewer jobs than when the recession began.

You can see, then, that the impact to our state's economy and its workforce cannot be understated. In June 2007, when Rhode Island lapsed into recession, our state's unemployment rate was 5.1%. By the time I took over as director of the Department of Labor and Training, it was 6.2%. A year later it was 9.7%. It peaked at 11.9% in December 2009 but remained at double digits for more than 2 ½ years. In October 2012, it finally dipped below double digits to 9.9%. Even today, it still hovers just below 8%.

As the economy was rapidly descending, with tax revenues declining precipitously and the need for services rising significantly, in Rhode Island state government was uniquely challenged by this crisis. Our state had about 17,500 state employees in December 2006. By August 2009, it lost 1,500 of them, a decrease of 8.6%.

In the years leading up to the recession, several steps had been taken to manage the size and scope of state government. These steps included downsizing state agencies, cutting the budget, and making changes to the retirement benefits for state employees.

In September 2008, due to this change in benefits, hundreds of seasoned professionals in state government retired, right at time when they were needed most.

For DLT and DHS these changes came at a time when unemployment claims and applications for public assistance were increasing exponentially.

As the newly-appointed Director of the Department of Labor and Training, before I knew it my primary job was to make sure that the department could handle an explosion in demand for services with fewer resources.

Without going into the difficult details, let me just tell you that there were very, very, very challenging days. The staff was overwhelmed by the volume of calls and claims. The newly unemployed were clamoring for service and relief.

Having downsized the state workforce and in severe financial straits of its own, the state government as a whole had to work doubly hard to respond to this crisis.

A couple of memories come to mind from this time. I was returning from a meeting and walking toward my office when a man stopped me. He told me that because his unemployment claim hadn't been processed yet, his child support payments hadn't been paid (which are carved out of unemployment payments). He had spoken to the judge handling the case several times and he told me that the judge finally said if he couldn't prove he was eligible for unemployment insurance by the following day, he faced jail.

Later that day, my staff informed me that a different gentleman had gotten down on his knees in our lobby filled with people and begged us to help him. Although the staff worked hard, there weren't enough. These and so many similar stories were heartbreaking.

Because of the scope of the crisis for the unemployed, state leaders joined together. They allowed the department to hire retirees who knew unemployment insurance. Hiring retirees in most circumstances had been previously unallowed. I give kudos to state leaders in the executive and legislative branches who knew that a short term fix was needed to get a handle on the crisis we faced. Eventually, we were able to turn the corner.

Although the delivery of services improved, the challenges created by the intersection of the Great Recession and the significant reduction in the state's government workforce continued.

And further adding the state's difficulties, Rhode Island was hit by severe flooding in early April 2010 – in fact, it was termed the Flood of the Century – and Hurricane Irene in August 2011 and Hurricane Sandy in October 2012, weather disasters that did immense damage to Rhode Island's economy and its recovery.

Many found themselves unemployed. Many more became underemployed as they cobbled together part-time jobs to make ends meet. Assets were spent down. Foreclosures hit record highs. Opportunities dried up for young people. The state has seen a decrease in population as people left to seek work elsewhere.

Rhode Islanders who never dreamed they would be applying for what everyone calls food stamps were now receiving them. The state's SNAP caseload increased 157% from 2008 to 2013.

For DHS eligibility workers trying to help Rhode Islanders, the caseloads went from several hundred per worker to, in many cases, over two thousand per worker.

Last year, Paul Davis wrote an article in the Providence Journal that described three people who were relying on these food assistance benefits to survive.

Fifty-eight year-old Sandy lost her job at a jewelry manufacturer after working there for 20 years. She lives in Scituate, a rural town in the middle of the state. Before she qualified for this benefit, she and her husband – a Vietnam veteran – skipped meals. She said, "The food stamps have been a blessing. Prior to that, we were hungry."

In Middletown, on the island the town shares with Newport, Heather struggled to feed her daughters. A single mom, she worked two to three jobs while working to get her degree at the local community college. In the article, she explained why she applied for food assistance: "Do you pay the electric bill and keep the stove on, or do you pay another bill? Do the kids eat cold cereal or peanut butter?" Heather said it was a little embarrassing to ask for help, but as she put it, "Your kids have to eat."

John from Warwick said that years of hard work are no insulation from later hardship. He worked in the construction industry but had to find other work when an injury sidelined him. He

worked a series of odd jobs but, when the stock market crashed in 2008, he lost his retirement fund and the equity in his house. At age 62, he now lives in a trailer and relies on food stamps to survive. “I’m a responsible person,” he told the reporter. “You can work your whole life and still end up needing help because of an accident or a health issue or a job loss. It can happen to anybody.”

Thousands more Sandys, Heathers and Johns turned to the Department of Human Services for help during this time, an agency that I was asked to lead in January 2011, when Governor Chafee came into office. After 22 years working in the Department of Labor and Training, I was now taking over the agency that provided the safety net for our most vulnerable citizens when our State was still facing the same challenges I experienced at DLT: Constrained budgets, limited resources, and an economy that refused to recover.

But I also saw hope and opportunity.

Before I arrived, DHS had formed a modernization task force. The work led to an application for a grant from the Ford Foundation as part of its Work Support Strategies Initiative. The application sought funding to develop a plan for improving the way we did business. Rhode Island was one of nine states awarded this grant. The other states were Kentucky, New Mexico, Oregon, Colorado, Idaho, Illinois, North Carolina, and South Carolina.

We had conducted a thorough review of the agency for the planning grant application. As part of our planning year, we agreed to focus on four primary public assistance programs: SNAP, TANF (or RI WORKS), Child Care and family Medical Assistance, what we used to call Rite Care. The Modernization task force worked with many community stakeholders and involved agency staff. We continued that model moving forward.

Our findings during the planning year weren’t surprising for a lean agency that was dealing with an unprecedented economic crisis. At DHS the way we did business had changed very little over the years. Programs and processes were silo’d, fragmented, redundant, inefficient, and costly. Frustrated customers and hardworking, but stressed staff, were overburdened by multiple and confusing program applications, bureaucratic business processes, and inflexible technology.

The high caseloads had increased program errors and we had doubled overtime costs since 2008 to try to keep up. Our staff was overburdened by paper intensive processes, and they lacked the tools of modern technology to help them work efficiently. The quality of our service delivery had suffered and the administrative costs to maintain the way we did business were stretched. Additionally it was difficult for customers to easily apply for needed services.

We were at a tipping point where all of our resources were strained and yet the need for benefits continued to increase. The only resolution was to transform the way we do business. Rhode Island could no longer sustain a business model with its focus on paper-driven and bureaucratically-laden processes and policies that could impede access to needed human services programs.

People like Sandy, Heather, and John were relying on us to help stabilize their lives and we needed to rise to the challenge for them. And we're in the process of doing that.

As a result of the work during the Planning Year, we outlined a way forward to achieve Rhode Island's goal of improving our delivery of services. In 2012 we were awarded a three-year implementation grant from the Ford Foundation to put that plan into action. (Five other states also continued forward with the Work Support Strategies initiative: Colorado, Idaho, Illinois, North Carolina, and South Carolina.)

So what was the plan? Well we had several goals. We wanted to: (1) improve services for low-income families, streamline customer access (2) improve our agency's operations, increase efficiency, (3) improve the environment for staff and (4) create data driven management tools. To meet these goals, we laid out several objectives that would guide us over the next three years.

They included items like:

- Reengineering our business processes
- Improving our service delivery
- Standardizing verification and eligibility requirements
- Develop a system of regular data reports
- Implementing technology changes
- Engaging and developing staff

The data compiled during part of the Planning Year – in 2012 – revealed that there were opportunities to increase cross-enrollment so that people like Sandy, Heather, and John could access resources available to them in the Department of Human Services. We used that data to shape one of the two major initiatives that we expect will transform how we do business.

Business Process Redesign

The first is our business process redesign. It's a key piece to implementing our vision.

We needed to address our standing business practices. Our workers are overwhelmed. Caseloads have more than tripled because of decreased staffing and increased need. We weren't delivering the level of service that we want to. We accepted that the status quo was simply unsustainable.

With the help of some wonderful consultants, funded by the Ford Foundation grant and other partners like The Open Society Foundations, The Annie E. Casey Foundation, and The Kresge Foundation, we were able to lay out a way to move from our previous system – which was caseload-based – to a task-based system.

So what does that mean?

In the past, when Sandy, Heather, or John came into our office seeking a SNAP or TANF benefit, they would have a caseworker assigned to them based on an alpha system. So one caseworker would have from A to E, another would have from G to K, etc.

Just to use Heather as an example, she would have one caseworker as her only point of contact for her SNAP benefit. But she has three daughters, is working two or three jobs, and going to school. And if she applied for another benefit like child care assistance, Heather would have a different caseworker for that program. With caseloads for some programs having tripled in recent years – SNAP alone has over 100,000 recipients in RI – caseworkers were so busy with new applications, recertifications required by law, process changes (I've moved, someone left, joined my household) and normal, everyday questions (like what's going on with my benefits,

what happens if this or that) customers like Heather had a tough time getting hold of their caseworker – or caseworkers, as the case may be.

Another example of the human impact of the way we did business includes the story of a woman who came into the Providence office not too long ago.

She knew her family needed food assistance and heard about the SNAP program through her child's school social worker. She had never been in the human services office before but came in and went through the whole application process to get food assistance.

When the woman went back to her son's school to tell the social worker they applied for SNAP benefits, the school's social worker said, "Did you know your son might be eligible for medical assistance?" She didn't. That meant another trip to the field office, another application, another caseworker.

Because we had a silo'd system, the woman had only dealt with a SNAP caseworker who was focused solely on the woman's SNAP needs.

So we engaged the staff and the two unions that represent them in our six field offices to make sure we had their input on how to make these changes. What we came up with is a task-based model.

Staff engagement was critical. We couldn't make a lasting substantive change without the buy-in of the staff. A lot of effort was put into communicating why we had to make changes.

What does this business process redesign look like? Starting seven weeks ago we reorganized the staff in our largest office, located here in Providence, into teams.

We created a lobby team. We moved the social workers to the front desk to help triage our customers' needs more effectively. Then the intake team works with the customer to ensure that he or she has everything needed for the team to make an eligibility determination.

I mentioned earlier that, we looked at data to find where customers were cross-enrolled. This data told us that the vast majority of our customers were enrolled in SNAP and medical assistance, about 70%. Only about 20% were receiving SNAP only.

This led us to create several teams around a program or several programs in which most of our customers were cross-enrolled.

Now we have the Green Team to handle initial applications for SNAP, or SNAP and medical assistance. We have a Red Team, which works on initial application for RI Works/TANF, with associated SNAP, medical assistance, and child care assistance. There's the Blue Team for eligibility re-certifications and a Yellow Team for changes of circumstances, like when one of our customers let's us know about a move, family change, etc. This team also helps cover lobby walk-ins and phones. And finally, we have a Purple Team, a finishing and processing team for pending cases.

The finishing team gives our customers a chance to get their eligibility determination sooner when a customer doesn't bring in all the necessary documents on the day of the initial visit. The finishing team works behind the scenes to process information that comes in later so the eligibility determination can be finalized.

As you can see, no longer does one worker own a case from start to finish.

Previously, under the alpha-based caseload system, most of our cases ended up in a pending status because caseworkers often didn't have all of the information and documents needed to make an eligibility determination on the day of the customer's initial visit. Then we'd have to send out letters and wait for the information to come in before we could determine eligibility.

As a result, you had multiple interactions between the customer and the agency. The customer would bring the paperwork in, hand it to a clerk, the clerk had to make copies, and get it to the caseworker. You'd have the customer calling the caseworker to see if he received the document, and it may not have made it to his desk yet, so that would create an ongoing cavalcade of questions. We'd end up with many touches, a lot of frustrated customers, and an overwhelmed staff.

With the new task-based caseload system, the preliminary data has shown that we've been able to complete as many as 70% of applications that same day. And by complete, I mean the customer was determined eligible or ineligible for benefits that day. Prior to this change, we were pending more than 80% of these cases.

We are continuing to look at the process, our staffing levels, and our daily lessons learned. We are planning to roll out these changes to our five other offices over the next few months.

But we didn't just focus on the delivery of services. Other efforts under way include looking at our TANF and Child Care programs, our communications strategy, lobby management, data analysis, electronic document management, and other initiatives.

Integrated Eligibility System

As we were planning and implementing our transformational business redesign that I just discussed, Governor Chafee was moving forward with the Affordable Care Act, developing a state exchange, and embracing Medicaid expansion. This created a tremendous opportunity for us at DHS.

We knew we needed to update our 30-year old legacy software system but given our constrained fiscal environment, the state couldn't afford to spend the money necessary for such a project. Because Rhode Island embraced the ACA and was building its own exchange, we could take advantage of funding made available by the federal government through the enhanced Medicaid funding and OMB A-87 exception letters. The State also made the decision to build an integrated eligibility system that is going to be tied into the new state exchange.

If Rhode Island had tried to build a new human services eligibility system – our Integrated Eligibility System – from the ground up, it would be very, very difficult to do, especially at a time of such recessionary-driven constraints. Now, we didn't have to build a new system from scratch. Our share is \$3 to 4 million whereas building a system from the ground up would cost on the order of \$200 million dollars.

We thought from a customer standpoint it made sense to have a unified entrance point. We wanted to make it simple for people who need to apply for human services programs. Developing an Integrated Eligibility System ties directly into our business process redesign and its emphasis on streamlining client access and improving operational efficiencies.

Our redesign work helped lay the foundation for the systems changes on the technological side. Just as we needed a vision for the business process redesign, we had to have a vision of what we wanted the technology to do. We wanted our vision to drive the technology; not have the technology drive our vision for change.

So we've taken advantage of this opportunity to receive federal funding. It is allowing us to make a substantive, transformative change. We'll begin testing the new system in September, and then pilot it in a few field offices in January before fully mobilizing it fully in July of next year.

This new system under IES will allow customers to have a unique pin and password and go in and actually look at information about their benefits. It's much more customer-focused. They can provide information online about changes in their circumstances. From a technological standpoint, customers will soon be able to review information on their own cases, so they can find out about their SNAP benefit or see the plan they selected for Medicaid. Right now, we send out quarterly letters updating them on their benefits. But if they lose that letter or move or just didn't receive it, then they have to contact their case worker to get that information.

They can provide information online about changes in their circumstances. Right now, if they move or have another child or have income changes, they have to come in because it's all done manually.

These initiatives are transforming the agency and are a game changer for our customers.

Where we are going

So as you can tell our story hasn't ended yet. We are optimistic about the outcomes, but whatever they may be we have learned this: that even during the greatest recession since the

Great Depression, in a state strained by budget shortfalls, staffing decreases, increased caseloads, and outdated legacy systems, a vision for change can be imagined and then created, sought, and pursued. We have learned that worthwhile change must be customer-driven, creating systems with them in mind. We have learned how valuable seeking expertise from national partners and other states can be as well as talking to those in our state. We have learned that technology is most useful when it serves your vision instead of dictating it. And we have learned that change is most effective when every level within the organization is involved and respected.

Most of all, our intuition has been confirmed that the time, energy, and resources that we invest in our human services delivery systems must not only make our operations efficient – for that is only the first objective – but they must enable us to make a meaningful difference in the lives of the people who turn to us for help. The stories of those desperate unemployed, the circumstances of the many different people sustained by SNAP benefits, and the hopes of families who rely on child care and our other programs must always act as our ground, anchoring us to reality and driving us to help our clients push back the boundaries of poverty. Have the changes we made in our systems helped people change their lives for the better? That is our daily standard.

Thank you for giving me time to share our story. I am sure that in many ways it is your story as well. We do this work to make a difference in people's lives. Sometimes, when we are deep in bureaucracy or policy or systems or planning, our work seems very far away from the streets of our cities and towns. It is gatherings such as these, and the sharing of our struggles and successes that tell us loud and clear that that is not the case. When we look around the room and hear all that is taking place across the country, we know that our daily work is making a difference. I hope that this conference not only sharpens our knowledge and skills but also strengthens our resolve to be the very best for the people we serve. Thank you.